GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:5221
ANSWERED ON:27.04.2000
RAILWAY FINANCIAL POLICY
SAHIB SINGH VERMA

Will the Minister of RAILWAYS be pleased to state:

(a) Whether there is any Railway financial policy;

(b) if so, the details of its components;

(c) the amount proposed to be spent on expansion and renovation of railway stations, passenger facilities, safety and security measures during the remaining period of Ninth Five Year Plan; and

(d) The losses incurred during each of the last three years?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) Yes, Sir.

(b) Indian Railways endeavours to be a financially viable organisation which is able to meet its operating and maintenance expenses, discharge its dividend liability to General Revenues and also generate sufficient resources to not only meet replacement and renewal requirements but also adequately fund its capacity augmentation and developmental needs. The broad aspects of this policy are briefly as under:-

i) The Tariff Policy of the Railways is based on the principle of cost of service, value of service and is also determined by `what the traffic can bear`.

ii) The investment policy aims at certain minimum rate of return on capital invested. This, however, does not apply to investments in areas of safety, strategic lines, developmental projects in backward areas, staff welfare, passenger amenities, etc.

iii) The expenditure policy, interalia, includes cost control, budgetary control, of expenditure and laid down norms and guidelines for sanction of expenditure in accordance with canons of financial propriety;

(c) The amounts proposed to be spent in 2000-01 on passenger amenities which include expansion and renovation of railway stations, safety related works and security are as under:

(Rs. in crore)

i) Passenger Amenities including expansion and renovation of railway stations.	197
ii) Safety related works which include track renewals, signal & telecommunication, bridge works, road safety works-level crossings and road over/under bridges	3383
iii) Security (both revenue and plan)	784

As regards the terminal year of the Ninth Five Year Plan viz. 2001-02, the position with regard to the above investments willbe known

only on finalisation of the Annual Plan for that year.

(d) Railway did not incur any loss during the last three years. The revenues generated were sufficient to meet their operating and maintenance expenses and discharge their dividend liability. However, draw-down from Railways' Fund Balances had to be made in 1998-99 and 1999-2000 to supplement the internal resources.